

**HDHP (HRA & HSA) - July 1, 2021 through June 30, 2022**

Kenai Peninsula Borough School District	<u>Reserve Account</u>	<u>As of 6-30-20</u>	<u>As of 6-30-21</u>	FY22 Monthly Contribution
Health Care Committee Monthly recap as of September 30, 2021.	Employee Share	1,406,512.43	1,530,525.84	<u>HDHP - July - June</u>
	Employer Share	4,870,282.48	5,241,630.41	Employee Share * 365.54
				Employer Share 2,219.43
				<u>2,584.97</u>

This document is provided to the Health Care Committee as a work paper to recap the contributions to and expenditures from the Health Care Plan each month. It is to be used primarily as an aid in estimating costs of the plan to determine if changes should be made in employee contribution amounts. Every effort is made to provide current and accurate information, but this information is not audited until after the end of the fiscal year.

	<b>Number of Employees</b>	<b>YTD Employees</b>	<b>Current Month Obligations</b>	<b>YTD Obligations</b>	<b>Contributions Current Month Collected</b>	<b>Contributions YTD Collected</b>
<b>Employees</b>						
KPEA Employees - HDHP	525	1,581	191,908.50	577,918.74	253,726.94	253,726.94
KPESA Employees - HDHP	313	948	114,414.02	346,531.92	150,005.70	169,627.44
Administrators - HDHP	60	180	21,932.40	65,797.20	27,905.26	35,600.06
Board Members - HDHP	3	9	1,096.62	3,289.86	775.00	2,585.70
Exempt Employees - HDHP	23	69	8,407.42	25,222.26	8,444.79	25,758.09
<b>Total Employees on Payroll</b>	<b>924</b>	<b>2,787</b>	<b>337,758.96</b>	<b>1,018,759.98</b>	<b>440,857.69</b>	<b>487,298.23</b>
COBRA HD Payers (FY22 = \$2668.59)	2	8	4,111.88	16,447.52	5,337.18	16,011.54
<b>Total Employees</b>	<b>926</b>	<b>2,795</b>	<b>341,870.84 *</b>	<b>1,035,207.50</b>	<b>446,194.87</b>	<b>503,309.77</b>
<b>Total Employer</b>	924	2,787	2,050,753.32	6,185,551.41	2,680,454.82	2,949,006.60
<b>Total Employees + Employer</b>			<b>2,392,624.16</b>	<b>7,220,758.91</b>	<b>3,126,649.69</b>	<b>3,452,316.37</b>

\* Current month employee obligations are a calculation of "Number of Employees" eligible for health care coverage during that month times the "Employee Share" (shown in the upper right corner of the sheet).

\*\* Affordable Care Act (ACA) coverage is offered to employees once eligibility is determined. Eligibility is based on number of hours worked during the measurement period.

Health Care Committee Monthly recap  
as of September 30, 2021.

**Expenditures**

Since the health care plan is self-funded, both employee and employer contributions are collected and bills are paid from the accumulated funds.

	HDHP	
	September	Year-To-Date
<b>Claims</b>		
Health Care Claims paid by TPA (Rehn)	1,163,086.87	3,527,153.67
Prescription Claims paid by Caremark	243,893.49	1,119,232.02
HRA	-	-
HSA	-	-
<b>Total Claims Paid</b>	<b>1,406,980.36</b>	<b>4,646,385.69</b>
<b>Administration</b>		
TPA (Rehn) fees and costs	29,368.51	104,623.00
Aetna Administration Fees	21,594.00	64,711.20
Consultant Fees	4,933.33	14,799.99
Stop Loss Premiums	200,702.52	574,409.76
RX Health	-	-
Affordable Care Act Fee	-	28,154.90
<b>Total Administration</b>	<b>256,598.36</b>	<b>786,698.85</b>
<b>Total Claims plus Administration</b>	<b>1,663,578.72</b>	<b>5,433,084.54</b>
<b>Adjustments</b>		
Stop Loss reimbursements	(185,033.45)	(626,517.39)
Prescription Rebates	(73,848.55)	(301,448.82)
Health Care Claims refund	-	-
Claims reimbursements	(450.00)	(550.00)
Other adjustments - Legal Opinion	-	(25.00)
<b>Total Adjustments</b>	<b>(259,332.00)</b>	<b>(928,541.21)</b>
<b>Total Expenditures</b>	<b>1,404,246.72</b>	<b>4,504,543.33</b>

**Obligations/Contributions**

Health care obligations and contributions provide employee and employer amounts of health care contributions using different calculation methods.

Obligations are estimates of funds that employees and the district will be obligated to contribute, based on the plan year (July through June).

Returning employees are covered by the health care plan for the entire plan year, meaning the 12 month period July through June; both employee and employer are obligated to pay for 12 months of coverage. New employees pay for coverage from date of hire through June, the end of the plan year. If an employee works at all during a month, both employee and employer pay for the entire month of coverage.

Actual Contributions made by employees and benefits paid by the employer during the payroll process are shown on the sheet in the columns labeled "Collected." The division of payments is governed by the Collective Bargaining Agreements and Memorandums of Understanding between the district and the employee groups.

Employee-paid contributions are deductions from payroll checks. Employees who work 12 months make contributions each pay period. Many school district employees do not work 12 months, so contributions are collected for those employees during the 9 month period from September through May.

For this reason, contributions are generally larger than obligations for September through May and contributions are generally smaller than obligations for June, July and August.

The "Collected" columns show what is actually available for paying health care costs. The "Obligations" show what is estimated to be available by month, based on number of employees at the current rate of contributions.

**HDHP (HRA & HSA) - July 1, 2021 through June 30, 2022**

**Kenai Peninsula Borough School District  
Healthcare Expenditures Split  
as of September 30, 2021.**

YTD Participants	2,795
Net Expenditures	4,504,543.33
ER - Employer portion (85%)	<u>3,828,861.83</u>
EE - Employee portion (15%)	<u>675,681.50</u>
Total ER & EE Expenditures	4,504,543.33

<b>Through Current Month</b>	<u>YTD EXP</u>	<u>YTD REV</u>	<u>REV Less EXP</u>
Employer	3,828,861.83	2,949,006.60	(879,855.23)
Employee	<u>675,681.50</u>	<u>503,309.77</u>	<u>(172,371.73)</u>
Totals	4,504,543.33	3,452,316.37	(1,052,226.96)

<b>Obligation per Employee FY22</b>		<u>Year-to-date</u>	<u>Current Variance</u>
365.54/2219.43 ER Split	2,584.97	2,584.97	
Monthly Cost per Employee - ER		1369.90	849.53
Monthly Cost per Employee - EE + Cobra		<u>241.75</u>	<u>123.79</u>
		1611.64	
		<b>973.33</b>	<b>973.33</b>

Obligations indicate the funds that will be accumulated per employee per month. Expenditures are amounts that have been paid through the plan.

A positive number for "current variance" represents the amount per employee per month that is estimated to be collected above the amount spent year-to-date. A negative number represents the amount of expenditures (per employee per month) that are more than what is estimated to be collected for payment of those expenditures.

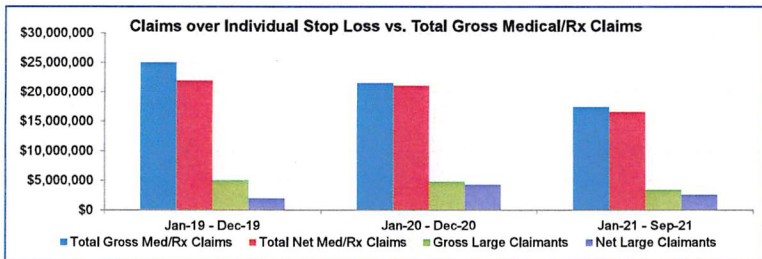
**Stop Loss Report: Through 9/30/2021**

Subscriber	Total Amt	Amt over Spec	Amt Requested	Amt Reimbursed	Non Reimbursed Expenses	Amt Open
<b>LASERED - 1</b>	\$ 1,095,822.06					
<b>LASERED - 2</b>	\$ 1,091,699.43					
3	\$ 813,532.44	\$ 563,532.44	\$ 563,532.44	\$ 540,478.33	\$ -	\$23,054.11
4	\$ 509,900.45	\$ 259,900.45	\$ 259,900.45	\$ 241,458.97	\$ -	\$18,441.48
	<b>\$ 3,510,954.38</b>	<b>\$ 823,432.89</b>	<b>\$ 823,432.89</b>	<b>\$ 781,937.30</b>	<b>\$ -</b>	<b>\$41,495.59</b>

**Kenai Peninsula Borough School District**  
 Historical Large Claims  
 All Plans

**Large Claims Exceeding Individual Stop Loss Deductible (\$250,000)**

	Jan-19 - Dec-19	Jan-20 - Dec-20	Jan-21 - Sep-21	AVERAGE / TOTAL
<b>Average Monthly Enrolled Employees</b>	1,032	964	941	979
<b>Annual Pooling Point</b>	\$220,000	\$250,000	\$250,000	
<b>Number of Claimants Above Pooling Point</b>	9	7	4	7
<b>Large Claimants per 1,000 Employees</b>	8.7	7.3	4.2	6.8
<b>Gross Claims for ISL Claimants</b>	\$5,037,139	\$4,794,711	\$3,486,145	\$13,317,994
<b>Total Gross Medical/Rx Claims</b>	\$25,050,317	\$21,586,028	\$17,456,920	\$64,093,265
<b>Large Claims as a Percent of Total Claims</b>	20.1%	22.2%	20.0%	20.8%
<b>Claims Above the Pooling Point</b>	\$3,057,139	\$444,711	\$798,623	\$4,300,473
<b>Total Net Medical/Rx Claims</b>	\$21,993,179	\$21,141,317	\$16,658,297	\$59,792,793
<b>Total ISL Premiums</b>	\$3,442,507	\$2,692,570	\$1,779,669	\$7,914,746
<b>ISL Loss Ratio</b>	88.8%	16.5%	44.9%	54.3%

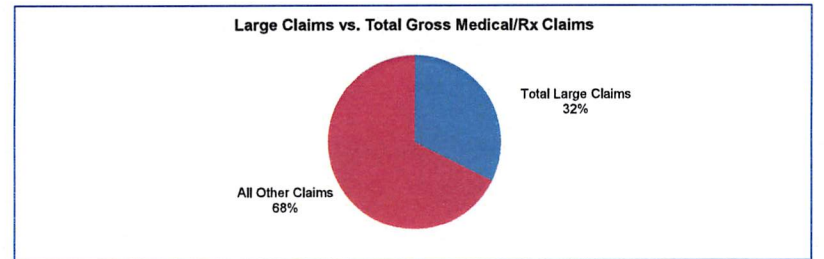


**Current Plan Year**  
 All Plans

**Large Claims Exceeding \$125,000 (50% of Individual Stop Loss Deductible)\***

#	Plan	Member	Diagnosis	Total \$	Amount Over ISL Deductible
1	HDHP HRA	Dependent	Other reactions to severe stress	\$1,095,822	\$0
2	HDHP HRA	Dependent	Adjustment disorder with anxiety	\$1,091,699	\$0
3	HDHP HRA	Dependent	Panic disorder without agoraphobia	\$788,658	\$538,658
4	HDHP HRA	Self	Infect/inflm react d/t oth cardi/vasc dev/implnt/grft, init	\$509,965	\$259,965
5	HDHP HRA	Spouse	Unsp athscl native arteries of extremities, left leg	\$223,084	\$0
6	HDHP HRA	Self	Pretrm prem ROM, unsp time betw rupt and onst labr, unsp tri	\$210,374	\$0
7	HDHP HRA	Spouse	Sprain of anterior cruciate ligament of right knee, init	\$208,860	\$0
8	HDHP HRA	Self	Oth fracture of upper and lower end of right fibula, init	\$202,598	\$0
9	HDHP HRA	Self	Other persistent atrial fibrillation	\$199,821	\$0
10	HDHP HRA	Spouse	Encounter for antineoplastic chemotherapy	\$195,655	\$0
11	HDHP HRA	Self	Primary osteoarthritis, left shoulder	\$187,877	\$0
12	HDHP HSA	Dependent	Hemolytic-uremic syndrome	\$164,593	\$0
13	HDHP HRA	Self	Malignant neoplasm of brain, unspecified	\$160,348	\$0
14	HDHP HRA	Dependent	Laceration without foreign body of scalp, initial encounter	\$141,197	\$0
15	HDHP HSA	Spouse	Other spondylosis with radiculopathy, lumbar region	\$129,394	\$0
16	HDHP HRA	Self	Oth dis of the bkd/bkd-form org/immun mechnsm comp chldbrth	\$128,577	\$0
<b>Total Large Claims</b>				<b>\$5,638,523</b>	<b>\$798,623</b>
<b>% of Total Gross Medical/Rx Claims</b>				<b>32%</b>	

\*Based on claims paid through September 2021. Amounts Over ISL Deductible have been adjusted for lasers.





# Saving Analysis Kenai Peninsula Borough School District

September 2021



# PrudentRx Program Design

Thank you for providing PrudentRx the opportunity to analyze your specialty drug spend

***PrudentRx has developed a solution for clients that are seeking an optimization program to help address the rising trends of specialty medications***



By partnering with PrudentRx to analyze specialty drug spend, redesign the current specialty drug plan tier, and proactively enroll members into assistance programs, members and clients will see significant savings.



PrudentRx's high touch seamless process identifies and assists members navigating through the various copay assistance programs available to them while constantly monitoring the specialty claims to increase client savings with minimal member disruption.



The value created from the PrudentRx program is based on medications that are exclusively dispensed by CVS Specialty Pharmacy for your members.

# Kenai Peninsula Borough School District Information



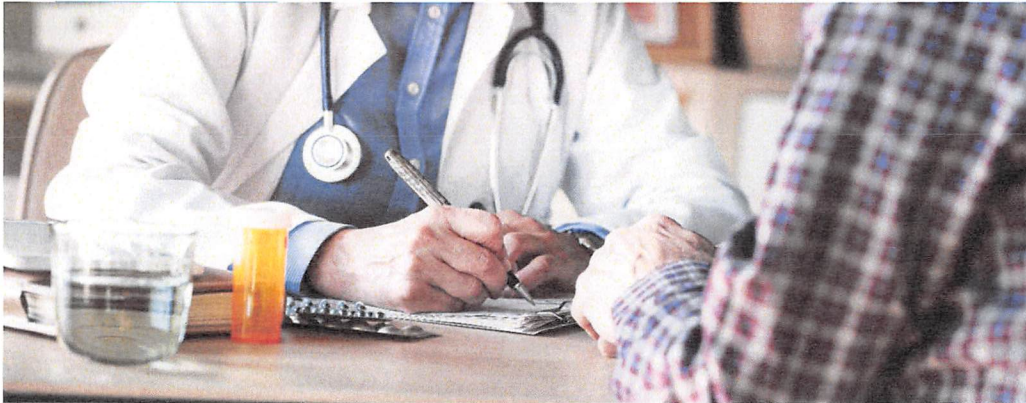
## The Plan Information

<b>Members</b>	2,518
<b>Customer Industry</b>	Coalition
<b>Specialty Copay*</b>	KENAI21 & KENAI2B- \$0 ; KENAI2H & KENAI2A- \$5 / \$25 / \$50
<b>Specialty Utilizers</b>	35
<b>Specialty Scripts</b>	278
<b>Current Specialty Spend</b>	\$4,483,318

\*Specialty Copay information is based on your most commonly enrolled plan



# PrudentRx Savings Assumptions



A flat

**30%**

coinsurance for all specialty medications exclusively dispensed by CVS specialty pharmacy



Non-Essential Medications do not count towards members deductibles or maximum out of pocket expenses.



All members who enroll in the PrudentRx Copay Assistance Program will have zero-dollar member out of pocket.



Medications which are not exclusive specialty are excluded from the program and savings analysis.



Member applied deductible will be excluded from the estimated member cost savings



Client has or adopts exclusive CVS specialty with no grace fills and true accumulation



Additional plan design requirements may be required by CVS Health.

# Kenai Peninsula Borough School District Summary



## Saving Analysis Summary

Client Name	Kenai Peninsula Borough School District
Members	2,518
Specialty Drug List Type	Exclusive Specialty Medications + Enhanced Exclusive Specialty Medications
Date Range	01/01/2020 - 12/31/2020

## Opportunity Summary

Projected PrudentRx Savings**	\$1,220,138
Projected Member Savings*	\$20,167
% of Specialty Savings	27.2%
PrudentRx Program Fees***	\$305,035
<b>Net Savings</b>	<b>\$915,104 (20.4%)</b>

Current Specialty Utilization	Total Spend (Client & Member)	Member Cost Share	Current Client Spend	Scripts	Utilizers <sup>†</sup>
<b>Total Spend</b>	\$4,503,486	\$20,167	\$4,483,318	278	35

## Top 5 Classes by Total Gross Cost

Specialty Drug Class	Current Client Spend	Est. Savings	Utilizers <sup>††</sup>	Scripts	Savings Percentage Generated
LIMITED DISTRIBUTION	\$3,221,048	\$965,474 <sup>1</sup>	2	24	30.0%
AUTOIMMUNE	\$688,315	\$163,427	14	109	23.7%
ONCOLOGY	\$275,444	\$33,880	5	32	12.3%
GROWTH HORMONE AND RELATED DISORDERS	\$95,405	\$8,000	3	27	8.4%
ASTHMA	\$66,242	\$18,063	2	25	27.3%
OTHER	\$136,864	\$31,295	9	61	22.9%
<b>TOTAL</b>	<b>\$4,483,318</b>	<b>\$1,220,138</b>	<b>35</b>	<b>278</b>	<b>27.2%</b>

Implementing the PrudentRx Copay Program will have a projected savings of \$915,104 (20.4%) of current Specialty Spend

\*Projected Member Savings includes current members copay amounts and excludes applied deductibles. True member savings may vary if the member utilizes manufacturer assistance or the plan has true accumulation or copay optimization in place. \*\*Estimated savings accounts for true accumulation, additional cost incurred for scripts with no assistance available, and is based on historical specialty spend. Actual savings may vary based on specialty drug spend, benefit plan design, member demographics, overrides that affect drug fill location, and other factors. For high-deductible health plans, savings are due to deferral of client coverage in the post deductible and post-maximum-out-of-pocket phases. \*\*\*PrudentRx fees are calculated based on a shared savings model and fees are charged only when savings are realized. † Estimated Number of unique utilizers. †† Estimated Number of unique utilizers by category. <sup>1</sup>Projected savings is based on best available information for Strensiq as the actual copay assistance value available per member per year is not officially disclosed by the drug manufacturer.

# The Member Experience



## 60-90 Days Prior to Go-Live

Notice sent out to members by Plan Sponsor documenting SPD language changes and partnership with PrudentRx

## 30 Days Prior to Go-Live

PrudentRx sends Member Letter and begins outreach to utilizing members

## Member Enrollment Outreach

PrudentRx enrolls member in program and enrolls in assistance programs

## Processing Information

PrudentRx provides billing information to CVS Specialty

## Pre-Go-Live

Prior to Go-Live, PRx will provide client a list of members who are not enrolled in program.

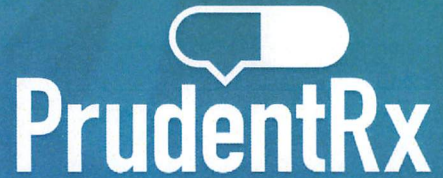
## CVS Specialty Fills Medication

After Go-Live, CVS Specialty adjudicates medication for existing utilizers and transfers any members to PrudentRx if additional assistance is needed or issues arise.

## PrudentRx Proactive Monitoring

PrudentRx monitors paid and rejected claims to ensure accurate billing, proactively enrolls new members starting on a medication included in the program, and follows up with existing members as needed to re-enroll and ensure a zero dollar member out of pocket.

**PrudentRx Provides A Seamless Member Experience**



Contact us today  
to discuss next steps

*We look forward to partnering with our clients  
to deliver specialty benefit savings while  
providing a seamless member experience.*



**Name**  
**Dominique Nguyen PharmD**  
**Account Executive**



**Email**  
**[leads@prudentrx.com](mailto:leads@prudentrx.com)**



**Phone**  
**1- 800-592-1707**